

BYLAWS
OF
NORTH HOLLYWOOD BUSINESS IMPROVEMENT DISTRICT
CORPORATION
(NOHO BID)

ARTICLE 1: *NAME, PURPOSE, ORGANIZATION, OFFICES*

Section 1:Name

The name of this organization shall be the NORTH HOLLYWOOD BUSINESS IMPROVEMENT DISTRICT CORPORATION (NOHO BID).

Section 2:Organization

The NOHO BID shall be an "owners' association" as such term is defined at Streets & Highways Code Section 36614.5, and shall have the legal form of a non-profit California corporation.

Section 3:No Members

There are no members of this organization. The Board of Directors shall have the right to vote for new Board members and shall be a self perpetuating Board of Directors. The Board members only shall vote on all matters concerning the election of the Board and other related matters.

Section 4:Offices

The principal office of the NOHO BID shall be located within or close to the boundaries of the District.

Section 5:Definitions

All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Ordinance.

Section 6: Specific Objectives and Purposes

The specific objective of the organization is to administer and operate the property based business improvement district according to a Management Plan the organization adopts from time to time. The Board may deal directly with the city government of the City of Los Angeles to promote the interests of the organization in any lawful manner. The purpose of the NOHO BID is to provide safety, maintenance and communications programs and services.

ARTICLE 2: PROPERTY OWNERS

Section 1:One Meeting

There shall be only one meeting of property owners each year and it shall be the annual meeting. All other meetings shall be Board meetings or committee meetings.

Section 2:Place of Meetings

The Board of Directors shall designate the place within the PBID boundaries for the holding of the Annual or Special Meetings of the property owners as may from time to time be called by the Board. In the event that the Board shall fail to fix a place for a meeting of the Property Owners, such meeting shall be held at the principal office of the NOHO BID.

Section 3:Annual Meeting

Each Annual Meeting of the Property Owners shall be held no later than 90 days after the close of each Fiscal Year. At each annual meeting of the Property Owners, the Property Owners shall consider, review and give comment on the annual budget for the next fiscal year; and transact such other business as may be brought before the meeting.

Section 4:Special Meetings

A special meeting of the Property Owners may be called, at any time and for any reason germane to the operation or management of the PBID, by order of President or by a majority of the Board, or upon written request by one-tenth of the Voting Property Owners, on such date reasonably designated by the Board. Such written request shall state the purpose or purposes for which such meeting is to be called.

Section 5:Notice of Meetings

Written notice of any Special Meeting and of the Annual Meeting shall be mailed to all Property Owners of record at their last known address and as confirmed by the County Recorder's Office, listed no later than 60 days old by first class, postage prepaid letter via the U. S. Mail at least ten days prior to the date of the meeting.

Section 6:Presiding Officers

The President, or in his/her absence, the Vice President shall preside over the meetings of the NOHO BID. In the event that both the President and the Vice President are absent, the Treasurer, or in his/her absence, the Secretary shall preside over the meeting of the NOHO BID. The Secretary of the Board or designee shall act as secretary of every meeting of the NOHO BID. When the Secretary is not available, the President may appoint a secretary of the meeting.

Section 7: Proxies

No proxies are permitted and the only persons entitled to vote shall be the members of the Board of Directors.

ARTICLE 3: ORGANIZATION OF BOARD OF DIRECTORS

Section 1: Powers Vested in the Board of Directors

The Board of Directors shall be responsible for governing the organization, setting policy as well as determining the Core Purpose, Core Values, Vision and Goals of the NOHO BID, and shall carry out its duties in accordance with these Bylaws, and the Property and Business Improvement District Law of 1994 (Streets & Highways Code Sec. 36620 et seq.).

The Board of Directors shall be empowered to recommend amendments to the Management District Plan within the limitations of Property and Business Improvement District Law of 1994 (Streets & Highways Code Sec. 36620 et seq.).

The Board of Directors shall review/approve the annual budget for the district.

The Board of Directors shall perform other supervisory functions as may be necessary for overseeing implementation of any contract with the City for NOHO BID related services.

The Board of Directors shall elect one third of the total Directors each year. The Board, through a nominating committee of the Board shall recommend a slate of directors to fill the expiring positions. The remaining Directors shall vote to accept or reject the slate proposed. The term for each director shall be three years. If the slate is rejected, the nominating committee shall select new slates until one is elected.

The Board of Directors shall have all of the usual authority of a board to operate a business including, but not limited to, opening Bank accounts, entering into contracts, borrowing money, buying and selling property, hiring employees and any other actions necessary to further the goals of the corporation.

Section 2: Selection of Initial Board of Directors

Pursuant to the Management Plan, the NOHO BID shall be an "owners' association" as such term is defined at Streets & Highways Code Section 36614.5, and shall have the legal form of a non-profit corporation. The organizing Steering Committee shall cause the NOHO BID to be incorporated, to determine and appoint the NOHO BID's initial Board of Directors, and to cause it to adopt these bylaws for governance and operation consistent with the provisions of the Management Plan. The NOHO BID's initial Board of Directors shall be appointed by the Organization Committee and shall consist of the following seats:

- One (1) Seat representing North Hollywood's City Council District (ex officio)

- One (1) Seat representing the Community Redevelopment Association (ex officio)
- One (1) Seat representing the MTA (ex officio)
- One (1) Seat representing the Chamber of Commerce (ex officio)
- A minimum of one (1) seat for merchants from within the district (voting)
- A minimum of eight (8) seats for assessed property owners (voting)
- The Board shall consist of a maximum of 13 voting members
- In the event that the Board of Directors is organized to comprise a membership of greater numbers than the minimum provided above, any such membership shall be organized such that the ratio of merchants-to-property owners remains the same.
- The Board shall reelect itself pursuant to these bylaws.

Section 3:Directors Requirements and Elections:

The Board Members shall each serve three year terms, One third of the Board shall be selected each year. Initially one third shall be elected to one year terms, one third elected to two year terms and one third to three year terms. The initial one and two year terms shall not be counted towards the consecutive terms limitation.

Voting Board Members must be a property owner or business owner within the PBID, in "good standing" (which means they have paid their current PBID assessment, their current City business license, and/or other appropriate licenses).

Any property owner or business owner may submit his or her name to the nominating committee of the Board or to the City Council for consideration no later than 30 days prior to the anniversary of the first selection to the Board of Directors.

Section 4:Removal of Directors

1. Removal for Cause – With a majority vote of the Board it may declare, if it chooses, vacant the office of a director on the occurrence That he/she has missed 3 consecutive meetings.
2. Removal without Cause – With a two-thirds (2/3) vote of the Board it may declare, if it chooses, vacant the office of a director without cause.

Section 5:Resignation of Directors

Any director may resign at any time by giving written notice to the Board.

The resignation of any director shall take effect upon receipt of notice of resignation by the Board or at such later time as shall be specified in the written notice if the Board elects to allow the resignation to be accepted later. The directors shall have the power to fill the vacancy according to these bylaws.

ARTICLE 4: MEETINGS OF BOARD OF DIRECTORS

Section 1: Quorum and Manner of Acting.

A majority of the filled Directors' seats shall be necessary to constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given. At all meetings of the directors, at which a quorum is present, all matters shall be decided by the affirmative vote of a majority of the directors present.

Section 2: Place of Meetings

The Board may hold its meetings at such place or places within the City, as the Board may from time to time determine.

Section 3: First Meeting of Each Fiscal Year

At the next regular meeting of the new fiscal year the Board shall meet for the purpose of electing officers and transacting any other business germane to the meeting or to the operation and management of the PBID.

Section 4: Regular Meetings

For the purpose of adopting an Annual Budget for the Fiscal Year commencing January 1 of each year, a regular meeting of the Board shall be held on or before December 31 of each year. Such budgets shall be approved by a majority of the Directors. Budgets must be within the limitations of the management plan. All Annual Budgets and any amendments shall be approved and submitted in the same manner provided above.

All regular meetings of the Board following the first regular meeting shall be held at a minimum on a quarterly basis or more frequently as determined by the Board, at such time and place, within the City, as shall from time to time be determined by the Board and after there has been such determination, and notice thereof has been given a minimum of three business days to each member of the Board.

Regular Meetings: Notice as required shall be given for any regularly calendared meeting of the Board of Directors.

Section 5: Special Meeting and Notice

Special meetings of the Board shall be held whenever called by the President or when requested by one-third of the Directors. Notice of each special meeting shall be mailed and/or, phone, and/or fax and/or, emailed to each director. Each such notice shall be given at least 72 hours in advance and shall state the time and place of the meeting and the purpose. Notice to the public as required shall also be given.

Section 6: Agenda

The agenda for all meetings of the Board shall include acceptance of the minutes of the preceding meeting, reports of any committees, financial report, old business, new business, and any other business germane to the meeting or to the operation or management of the NOHO BID.

Section 7:Committees

- a. **EXECUTIVE COMMITTEE** -- The Executive Committee shall consist, at a minimum, of the President, Vice President, Secretary, Treasurer and Immediate Past President. The Board may elect to request committee Chairpersons to also become members of the Executive Committee.

The Executive Committee shall meet as such time and place as the President or a majority of the Executive Committee may determine.

Notice of meetings of the Executive Committee shall be given to committee members orally or in writing by the President at least 72 hours before each meeting. A majority of the members of the Committee shall be a quorum for the transaction of business. The Executive Committee can not bind the NOHO BID but can only make recommendations to the Board, unless the authority to bind the corporation is delegated to the Executive Committee by action of the Board of Directors,.

The Executive Committee shall keep regular minutes of its proceedings.

- b. **COMMITTEES:** The Board may establish committees. The committee(s) shall have the power to make recommendations to the Board. The committees shall keep regular minutes of their proceedings and report them to the Board when required.

ARTICLE 5: OFFICERS

Section 1:Selection

The Board shall select from the Board, persons to serve as President, Vice President, Secretary, and Treasurer, and such other officers as it may determine. The officers are selected by the Board of Directors and serve a one-year term, and can serve consecutive terms.

Section 2:Term

Each officer shall hold office until the next Annual Meeting of the Board, and until his/her successor has been duly elected. The Board, by a majority vote, may remove any officer with or without cause at any time.

Section 3:Function and Duties

The President shall preside at all meetings, except that in his/her absence the Vice President shall preside. In the event that both the President and Vice President are absent, the Treasurer, or in his/her absence the Secretary shall preside over the meeting.

During the absence or disability of the President, the Vice President shall have all the powers and functions of the President. The Vice President shall perform such duties as may be prescribed by the Board from time to time.

The Secretary shall keep the minutes of the meetings of both the Board and the Property Owners. The Secretary shall attest to documents duly authorized by the Board, and shall have control of all books and records of the NOHO BID.

The Board shall hire an Executive Director to manage the organization and ensure that the Core Purpose, Core Values and Goals of the organization as determined by the Board are properly executed. The Executive Director shall have the authority to hire additional personnel to run the organization according to the Board's vision, goals and yearly budget. The selection and compensation of all personnel in non-managerial roles shall be determined by the Executive Director within the limits of the yearly budget and Management Plan.

ARTICLE 6: MISCELLANEOUS

Section 1:Books and Records

The NOHO BID shall keep at the principal office of the NOHO BID, complete and correct records and books of account, and shall keep minutes of the proceedings of the members, the Board, or any committee appointed by the Board, as well as a list or record containing the names and addresses of all Voting Property Owners.

Section 2:Fiscal Year

The Fiscal Year End of the NOHO BID shall be December 31 of each year. Within 120 days of the close of its Fiscal Year, the NOHO BID shall provide the City with an Annual Report. The contents and timing of the report shall be defined in the contract between the City and the NOHO BID.

Section 3:Insurance

The NOHO BID shall procure general liability and directors and officers insurance to protect itself and its Board, Officers, and Property Owners against liability claims and it may also obtain any other insurance as shall be required by the Ordinance or it deems advisable.

Section 4:Bonding of Officers

The President, the Treasurer and any other officers and agents of the NOHO BID handling funds for the NOHO BID may be bonded in such amounts as are determined to be reasonable by the Board at the expense of the NOHO BID.

Section 5:Indemnification of Directors and Officers

Any person made or threatened to be made a party to any action, suit or proceeding, by reason of fact that the person is or was a Director or officer of the NOHO BID, shall be indemnified by the NOHO BID against any liability and the reasonable expenses, including attorney's fees and disbursements incurred by the person in connection with the defense or settlement of any action, suit or proceeding, or in connection with any

appearance, except in relation to matters as to which it shall be adjudged in the action, suit or proceeding that the Director or Officer is liable for willful negligence or misconduct in the performance of his/her official duty. The right to indemnification shall not be deemed exclusive of any other rights to which any such Director or Officer may be entitled. The organization shall indemnify its Directors, Officers, Executive Director and employees and agents to the fullest extent provided by law including attorney fees and costs.

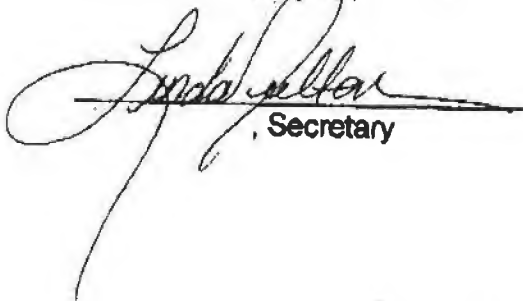
Section 6: Amendment of Bylaws

These bylaws of the NOHO BID shall be subject to alteration and amendment by a 2/3 vote of the Board at a meeting duly called for this purpose.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of the North Hollywood Business Improvement District Corporation, that the above Bylaws are the Bylaws of this corporation as adopted by the Board of Directors on May 15, 2007, and that they have not been amended or modified since that date.

Executed on May 15, 2007 .


Secretary